



6450-01-P

DEPARTMENT OF ENERGY

Southeastern Power Administration

Georgia-Alabama-South Carolina System

AGENCY: Southeastern Power Administration, (Southeastern), Department of Energy.

ACTION: Notice of Interim Approval.

SUMMARY: The Deputy Secretary, Department of Energy, confirmed and approved, on an interim basis new rate schedules SOCO-1-E, SOCO-2-E, SOCO-3-E, SOCO-4-E, ALA-1-N, MISS-1-N, Duke-1-E, Duke-2-E, Duke-3-E, Duke-4-E, Santee-1-E, Santee-2-E, Santee-3-E, Santee-4-E, SCE&G-1-E, SCE&G-2-E, SCE&G-3-E, SCE&G-4-E, Pump-1-A, Pump-2, Replacement-1, and Regulation-1. These rate schedules are applicable to Southeastern power sold to existing preference customers in Mississippi, Alabama, Florida, Georgia, North Carolina, and South Carolina. The rate schedules are approved on an interim basis through September 30, 2017, and are subject to confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis.

DATES: Approval of rates on an interim basis is effective October 1, 2012.

FOR FURTHER INFORMATION CONTACT: Virgil Hobbs, Assistant Administrator, Finance and Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635-4578, (706) 213-3800.

SUPPLEMENTARY INFORMATION: The Federal Energy Regulatory Commission, by Order issued June 30, 2011, in Docket No. EF10-11-000 (135 FERC ¶ 62,267), confirmed and approved Wholesale Power Rate Schedules SOCO-1-D, SOCO-2-D, SOCO-3-D, SOCO-4-D, ALA-1-M, MISS-1-M, Duke-1-D, Duke-2-D, Duke-3-D, Duke-4-D, Santee-1-D, Santee-2-D, Santee-3-D, Santee-4-D, SCE&G-1-D, SCE&G-2-D, SCE&G-3-D, SCE&G-4-D, Pump-1-A,

Pump-2, Replacement-1, and Regulation-1 through September 30, 2015. This order replaces these rate schedules on an interim basis, subject to final approval by FERC.

Dated: September 4, 2012

Daniel B. Poneman
Deputy Secretary

DEPARTMENT OF ENERGY

DEPUTY SECRETARY

In the Matter of:

Southeastern Power Administration) Rate Order No. SEPA-56
Georgia-Alabama-South Carolina System Power Rates)

ORDER CONFIRMING AND APPROVING
POWER RATES ON AN INTERIM BASIS

Pursuant to Sections 302(a) of the Department of Energy Organization Act, Public Law 95-91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, relating to the Southeastern Power Administration (Southeastern), were transferred to and vested in the Secretary of Energy. By Delegation Order No. 00-037.00, effective December 6, 2001, the Secretary of Energy delegated to Southeastern's Administrator the authority to develop power and transmission rates, to the Deputy Secretary of Energy the authority to confirm, approve, and place in effect such rates on interim basis, and to the Federal Energy Regulatory Commission (FERC) the authority to confirm, approve, and place into effect on a final basis or to disapprove rates developed by the Administrator under the delegation. This rate is issued by the Deputy Secretary pursuant to that delegation order.

BACKGROUND

Power from the Georgia-Alabama-South Carolina Projects is presently sold under Wholesale Power Rate Schedules SOCO-1-D, SOCO-2-D, SOCO-3-D, SOCO-4-D, ALA-1-M, MISS-1-M, Duke-1-D, Duke-2-D, Duke-3-D, Duke-4-D, Santee-1-D, Santee-2-D, Santee-3-D, Santee-4-D, SCE&G-1-D, SCE&G-2-D, SCE&G-3-D, SCE&G-4-D, Pump-1-A, Pump-2, Replacement-1, and Regulation-1. These rate schedules were approved by the FERC in docket number EF10-11-000 on June 20, 2011, for a period ending September 30, 2015 (135 FERC ¶ 62,267).

Public Notice and Comment

Notice of a proposed rate adjustment was published in the *Federal Register* March 7, 2012 (77 FR 13594). The notice advised interested parties of a proposed increase in the capacity and energy rates of about fifteen percent (15%). The proposed increase in the revenue requirement was about ten percent (10%) and the increase in the capacity and energy rates was about fifteen percent (15%). A public information and comment forum was scheduled for April 24, 2012, in Atlanta, Georgia. By notice published June 8, 2012, (77 FR 34037) the comment period was extended to June 19, 2012. Comments were received from four parties at the forum. Written comments were received from one source.

Comments received from interested parties are summarized below. Southeastern's response follows each comment.

Comment 1: *The proposed rate increase brings the rates for SEPA energy closer to or above prevailing market rates in the Southeast. It simply makes no sense to pay above-market rates*

for the SEPA energy when less expensive alternatives are available. SEPA is in danger of pricing itself out of the market.

Response 1: Southeastern believes that each customer should look at their respective situations. Southeastern is not in a position to evaluate whether or not each customer should continue to purchase federal power.

Under section 5 of the Flood Control Act of 1944, Southeastern is required to develop rate schedules that recover the cost of producing and transmitting the power it markets. The proposed rate schedules were developed to meet this criterion. Southeastern believes that these rates will be competitive with alternative resources.

Contract provisions between Southeastern and the preference customers allow any customer to cancel their contract with Southeastern when Southeastern adjusts the rate schedules. Thus far, no customer has notified Southeastern of their intent to cancel their contract.

Southeastern is concerned the cost of federal power is approaching, and in some cases exceeding, the cost of alternative resources. Southeastern will work in partnership with the customers and the generating agency to manage the cost of federal power.

Comment 2: *We [the SeFPC] want to initiate a dialogue with SEPA relating to its strategy for using pumped storage facilities and, in particular, the acquisition of energy for pumping operations at the Carters and Russell projects. Also, cost savings could be achieved if we revisit how replacement energy is secured and whether scheduling practices could help lower the overall rate.*

Response 2: Southeastern currently uses a bidding process for both pumping and replacement energy. Energy is purchased in accordance with the provisions of power purchase contracts or under the terms of utility tariffs. A bidding process is followed and the weekly or daily purchase requirement is awarded based upon the lowest cost to the Government. New bidders can be accepted at any time by implementing a power purchase contract. Currently Southeastern has a number of customers participating in the bidding process, and is always willing to participate in dialogs, consistent with applicable law, to improve the efficiency of the process or find lower cost alternatives.

Comment 3: *The proposed rate will over-recover \$53 million at the end of five years.*

Response 3: The proposed rate schedules are designed to recover all capitalized deficits within the five-year term of the schedules. If the estimates used in this rate study are achieved through operating results, there will be about \$53 million available for repayment of the federal investment in fiscal year 2017. Under the Flood Control Act of 1944, rate schedules are to recover the amortization of capital investment over a reasonable period of years.

Approval of the proposed rate schedules is requested for a period of five years. However, contract provisions allow rate schedules to be adjusted October 1 of any year. Should operating results exceed expectations and lead to accelerated recovery of costs, new rate schedules can be proposed before the term of these rate schedules expires.

Comment 4: *SEPA could defer any rate increase until the following fiscal year, beginning in 2014.*

Response 4: Two projects in the Georgia-Alabama-South Carolina System are reaching their fiftieth year of operation in fiscal year 2013. These are the Hartwell Project and the Walter F. George Project. The total investment due to be repaid in fiscal year 2013 is almost \$80 million. Deferring this rate adjustment could create unacceptably large capitalized deficits. Deferring this rate adjustment to a later date would lead to a much more dramatic rate adjustment at a later date.

Comment 5: *SEPA could institute a temporary or one-year rate increase to introduce a new repayment study next year that would have the effect of lowering the overall rate in coming years. This option allows SEPA to make the required repayments in 2013 with customers' understanding that it is a one-year increase and not a five-year commitment.*

Response 5: A one-year rate increase would require that Southeastern file another rate adjustment in fiscal year 2013. Although approval of the proposed rate schedules is sought for a five-year period, new rate schedules can be proposed while these rate schedules are in effect.

Comment 6: *[The Customers] understand that a significant contributor to the need for a rate increase is the American Recovery and Reinvestment Act stimulus funds spent by the Corps of Engineers over the last few years. It is [The Customers] understanding that a significant portion of these funds were expensed and not capitalized, leading to the department to recover the costs through rates immediately.*

Response 6: The Corps provides estimates of O&M expenses and capitalized items that Southeastern uses in every rate adjustment. In the rate adjustment for the Georgia-Alabama-

South Carolina System filed in 2010, the Corps included estimated costs that would be funded through the American Recovery and Reinvestment Act (ARRA). At the time, the Corps expected these costs to be capitalized. However, subsequent accounting decisions determined these costs should be appropriately expensed. Southeastern and the Customers have reviewed the accounting for these costs and have not discovered material errors. Southeastern will continue to work with the Corps and the Customers to ensure costs are appropriately charged to hydropower.

Comment 7: *The Customers ask SEPA to provide updates on rate levels and associated recovery starting in 2014 and subsequent years to assess whether the rate as designed collects revenues in excess of required payments.*

Response 7: The Flood Control Act of 1944 requires Southeastern to recover the cost of producing and transmitting energy, including the amortization of capital investment allocated to power over a reasonable period of years. If the estimates used in the rate study are higher than the actual costs incurred, the variance is applied to cost recovery. As such, Southeastern would meet its required payments early, but would not over-recover costs.

Under DOE Order RA6120.2, Southeastern is required to update the repayment studies annually. The Customer may request these updates by contacting Virgil Hobbs, Assistant Administrator, Finance and Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635-4578, (706) 213-3800. Southeastern will continue to work with the Customers to ensure appropriate cost recovery and reporting.

Comment 8: *Although it is possible revenues for 2012 may be lower than expected, there has*

been no discussion or evidence put forth that would support a decision by SEPA to raise rates above the levels published in the Federal Register notice. Indeed, with documentation that the rate could recover more than what is needed for the required payments in later years, the record for the proposed rate supports the proposed rate adjustment and nothing higher. If SEPA sought to deviate from the proposed rate as set forth in the Federal Register notice, the Customers would ask SEPA to re-open the public process and allow the Customers to submit comments accordingly. Failure to do so would deprive the hydropower customers the due process otherwise guaranteed in the revision of power rates.

Response 8: SEPA has adopted the proposed rate schedules.

Comment 9: *The Customers would encourage SEPA representatives to further engage their counterparts at the Corps to follow through on the statutory obligation for setting rates and ensuring fairness in setting the rates. Small changes in the allocation of O&M expenses can provide substantial savings for the hydropower customers over an extended period if those expenses are properly classified.*

Response 9: SEPA will continue to work with the Customers and the Corps to ensure proper accounting of costs to hydropower.

DISCUSSION

System Repayment

An examination of Southeastern's revised system power repayment study, prepared in July 2012, for the Georgia-Alabama-South Carolina System shows that with the proposed rates,

all system power costs are paid within the term of these rate schedules. The Administrator of Southeastern Power Administration has certified that the rates are consistent with applicable law and that they are the lowest possible rates to customers consistent with sound business principles.

Environmental Impact

Southeastern has reviewed the possible environmental impacts of the rate adjustment under consideration and has concluded that, because the adjusted rates would not significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act of 1969, the proposed action is not a major Federal action for which preparation of an Environmental Impact Statement is required.

Availability of Information

Information regarding these rates, including studies and other supporting materials and transcripts of the public information and comment forum, is available for public review in the offices of Southeastern Power Administration, 1166 Athens Tech Road, Elberton, Georgia 30635, and in the Power Marketing Liaison Office, James Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

ORDER

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm and approve on an interim basis, effective October 1, 2012, attached Wholesale Power Rate Schedules SOCO-1-E, SOCO-2-E, SOCO-3-E, SOCO-4-E, ALA-1-N, MISS-1-N, Duke-1-E, Duke-2-E, Duke-3-E, Duke-4-E, Santee-1-E, Santee-2-E, Santee-3-E, Santee-4-E, SCE&G-1-E, SCE&G-2-E, SCE&G-3-E, SCE&G-4-E, Pump-1-A, Pump-2, Replacement-1, and Regulation-1. The Rate Schedules shall remain in effect on an interim basis through September 30, 2017, unless such period is extended or until the FERC confirms and approves the schedules or substitute Rate Schedules on a final basis.

Dated: September 4, 2012

Daniel B. Poneman
Deputy Secretary

Wholesale Power Rate Schedule SOCO-1-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Georgia, Alabama, Mississippi, and Florida to whom power may be transmitted and scheduled pursuant to contracts between the Government and Southern Company Services, Incorporated (hereinafter called the Company) and the Customer. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the

delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$2.81 Per kilowatt of total contract demand per month estimated as of March 2012 is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's Open Access Transmission Tariff (OATT). The distribution charges may be modified by FERC pursuant to application by the Company under Section 205 of the Federal Power Act or the Government under Section 206 of the Federal Power Act.

Proceedings before FERC involving the OATT or the distribution charges may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Scheduling, System Control and Dispatch Service:

\$0.0806 Per kilowatt of total contract demand per month.

Reactive Supply and Voltage Control from Generation Sources Service:

\$0.11 Per kilowatt of total contract demand per month.

Regulation and Frequency Response Service:

\$0.0483 Per kilowatt of total contract demand per month.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Southern Companies' OATT.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by

contract of the energy made available to the company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. As of March 2012, applicable energy losses are as follows:

Transmission facilities	2.2%
Sub-transmission	2.0%
Distribution Substations	0.9%
Distribution Lines	2.25%

These losses shall be effective until modified by FERC, pursuant to application by Southern Companies under Section 205 of the Federal Power Act or SEPA under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule SOCO-2-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one

of whom is hereinafter called the Customer) in Georgia, Alabama, Mississippi, and Florida to whom power may be transmitted pursuant to contracts between the Government and Southern Company Services, Incorporated (hereinafter called the Company) and the Customer. The Customer is responsible for providing a scheduling arrangement with the Government. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$2.81 Per kilowatt of total contract demand per estimated as of March 2012 is

presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's Open Access Transmission Tariff (OATT). The distribution charges may be modified by FERC pursuant to application by the Company under Section 205 of the Federal Power Act or the Government under Section 206 of the Federal Power Act.

Proceedings before FERC involving the OATT or the distribution charges may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Reactive Supply and Voltage Control from Generation Sources Service:

\$0.11 Per kilowatt of total contract demand per month.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Southern Companies' OATT.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. As of March 2012, applicable energy losses are as follows:

Transmission facilities	2.2%
Sub-Transmission	2.0%
Distribution Substations	0.9%
Distribution Lines	2.25%

These losses shall be effective until modified by FERC, pursuant to application by Southern Companies under Section 205 of the Federal Power Act or SEPA under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule SOCO-3-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Georgia, Alabama, Mississippi, and Florida to whom power may be scheduled pursuant to contracts between the Government and Southern Company Services, Incorporated (hereinafter called the Company) and the Customer. The Customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B.

Russell Projects (hereinafter referred to collectively as the Projects) and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Scheduling, System Control and Dispatch Service:

\$0.0806 Per kilowatt of total contract demand per month.

Regulation and Frequency Response Service:

\$0.0483 Per kilowatt of total contract demand per month.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Southern Companies' Open Access Transmission Tariff.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses).

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule SOCO-4-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Georgia, Alabama, Mississippi, and Florida served through the transmission facilities of Southern Company Services, Inc.

(hereinafter called the Company) or the Georgia Integrated Transmission System. The Customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects (hereinafter referred to collectively as the Projects) and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under

this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Southern Companies' Open Access Transmission Tariff.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract that the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses).

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule ALA-1-N

Availability:

This rate schedule shall be available to the PowerSouth Energy Cooperative (hereinafter called the Cooperative).

Applicability:

This rate schedule shall be applicable to power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters, and Richard B. Russell Projects and sold under contract between the Cooperative and the Government. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of 60 Hertz and shall be delivered at the Walter F. George, West Point, and Robert F. Henry Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Southern Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Southern Companies' Open Access Transmission Tariff.

Energy to be Furnished by the Government:

The Government will sell to the Cooperative and the Cooperative will purchase

from the Government those quantities of energy specified by contract as available to the Cooperative for scheduling on a weekly basis.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule ALA-1-N

Availability:

This rate schedule shall be available to the PowerSouth Energy Cooperative (hereinafter called the Cooperative).

Applicability:

This rate schedule shall be applicable to power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters, and Richard B. Russell Projects and sold under contract between the Cooperative and the Government. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of 60 Hertz and shall be delivered at the Walter F. George, West Point, and Robert F. Henry Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Southern Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Southern Companies' Open Access Transmission Tariff.

Energy to be Furnished by the Government:

The Government will sell to the Cooperative and the Cooperative will purchase from the Government those quantities of energy specified by contract as available to the Cooperative for scheduling on a weekly basis.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule Duke-1-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be transmitted and scheduled pursuant to contracts between the Government and Duke Energy Company (hereinafter called the Company) and the Customer. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal

Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$1.26 Per kilowatt of total contract demand per month is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses of three per cent (3%) as of March 2012). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. These losses shall be effective until modified by FERC, pursuant to application by the Company under Section 205 of the Federal Power Act or SEPA under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule Duke-2-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be transmitted pursuant to contracts between the Government and Duke Energy Company (hereinafter called the Company) and the Customer. The Customer is responsible for providing a scheduling arrangement with the Government.

Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$1.26 Per kilowatt of total contract demand per month is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's Open Access Transmission

Tariff (OATT).

Proceedings before FERC involving the OATT may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses of three per cent (3%) as of March 2012. The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by the Company under Section 205 of the Federal Power Act or SEPA under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule Duke-3-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be scheduled pursuant to contracts between the Government and Duke Energy Company (hereinafter called the Company) and the Customer. The Customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B.

Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Savannah River Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses).

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule Duke-4-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina served through the transmission facilities of Duke Energy Company (hereinafter called the Company) and the Customer. The Customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement with the Company. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Savannah River Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and

Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses).

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule Santee-1-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter call the Customer) in South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the Government and South Carolina Public Service Authority (hereinafter called the Authority). Nothing in this rate schedule shall preclude an eligible customer from electing service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the

delivery points of the Customer on the Authority's transmission and distribution system.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Authority. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Authority's rate.

Transmission:

\$1.38 Per kilowatt of total contract demand per month as of March 2012 is presented for illustrative purposes.

The initial transmission rate is subject to annual adjustment on July 1 of each year, and will be computed subject to the formula contained in Appendix A to the Government-Authority Contract.

Proceedings before FERC involving the Authority's Open Access Transmission Tariff may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from

the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Authority (less applicable losses of two per cent (2%) as of March 2012). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Authority's system.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Service Interruption:

When energy delivery to the Customer's system for the account of the Government is reduced or interrupted, and such reduction or interruption is not due to conditions on the Customer's system, the demand charge for the month shall be appropriately reduced as to kilowatts of such capacity which have been interrupted or reduced for each day in accordance with the following formula:

$$\left(\begin{array}{c} \text{Number of kilowatts unavailable} \\ \text{for at least 12 hours in} \\ \text{any calendar day} \end{array} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right)$$

Wholesale Power Rate Schedule Santee-2-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter call the Customer) in South Carolina to whom power may be wheeled pursuant to contracts between the Government and South Carolina Public Service Authority (hereinafter called the Authority). The customer is responsible for providing a scheduling arrangement with the Government. Nothing in this rate schedule shall preclude an eligible customer from electing service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the

delivery points of the Customer on the Authority's transmission and distribution system.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Authority. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Authority's rate.

Transmission:

\$1.38 Per kilowatt of total contract demand per month as of March 2012 is presented for illustrative purposes.

The initial transmission rate is subject to annual adjustment on July 1 of each year, and will be computed subject to the formula contained in Appendix A to the Government-Authority Contract.

Proceedings before FERC involving the Authority's Open Access Transmission Tariff may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract that the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from

the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Authority (less applicable losses of two per cent (2%) as of March 2012). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Authority's system.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Service Interruption:

When energy delivery to the Customer's system for the account of the Government is reduced or interrupted, and such reduction or interruption is not due to conditions on the Customer's system, the demand charge for the month shall be appropriately reduced as to kilowatts of such capacity which have been interrupted or reduced for each day in accordance with the following formula:

$$\left(\begin{array}{c} \text{Number of kilowatts unavailable} \\ \text{for at least 12 hours in} \\ \text{any calendar day} \end{array} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right)$$

Wholesale Power Rate Schedule Santee-3-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter call the Customer) in South Carolina to whom power may be scheduled pursuant to contracts between the Government and South Carolina Public Service Authority (hereinafter called the Authority). The customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude an eligible customer from electing service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the

Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Authority. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Authority's rate.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract that the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Authority (less applicable losses).

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Service Interruption:

When energy delivery to the Customer's system for the account of the Government is reduced or interrupted, and such reduction or interruption is not due to conditions on the Customer's system, the demand charge for the month shall be appropriately reduced as to kilowatts of such capacity which have been interrupted or reduced for each day in accordance with the following formula:

$$\left(\begin{array}{c} \text{Number of kilowatts unavailable} \\ \text{for at least 12 hours in} \\ \text{any calendar day} \end{array} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right)$$

Wholesale Power Rate Schedule Santee-4-E

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter call the Customer) in South Carolina served through the transmission facilities of South Carolina Public Service Authority (hereinafter called the Authority). The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude an eligible customer from electing service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the

Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Authority. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Authority's rate.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract that the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Authority (less applicable losses).

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Service Interruption:

When energy delivery to the Customer's system for the account of the Government is reduced or interrupted, and such reduction or interruption is not due to conditions on the Customer's system, the demand charge for the month shall be appropriately reduced as to kilowatts of such capacity which have been interrupted or reduced for each day in accordance with the following formula:

$$\left(\begin{array}{c} \text{Number of kilowatts unavailable} \\ \text{for at least 12 hours in} \\ \text{any calendar day} \end{array} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right)$$

Wholesale Power Rate Schedule SCE&G-1-E

Availability:

This rate schedule shall be available public bodies and cooperatives (any one of which is hereinafter called the Customer) in South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the Government and the South Carolina Electric & Gas Company (hereinafter called the Company). Nothing in this rate schedule shall preclude an eligible customer from electing service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$2.12 Per kilowatt of total contract demand per month as of March 2012 is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's Open Access Transmission

Tariff (OATT).

Proceedings before FERC involving the OATT may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Conditions of Service:

The Customer shall at its own expense provide, install, and maintain on its side of each delivery point the equipment necessary to protect and control its own system. In so doing, the installation, adjustment, and setting of all such control and protective equipment at or near the point of delivery shall be coordinated with that which is installed by and at the expense of the Company on its side of the delivery point.

Wholesale Power Rate Schedule SCE&G-2-E

Availability:

This rate schedule shall be available public bodies and cooperatives (any one of which is hereinafter called the Customer) in South Carolina to whom power may be wheeled pursuant to contracts between the Government and the South Carolina Electric & Gas Company (hereinafter called the Company). The customer is responsible for providing a scheduling arrangement with the Government. Nothing in this rate schedule shall preclude an eligible customer from electing service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and

accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$2.12 Per kilowatt of total contract demand per month as of March 2012 is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission

and distribution charges paid by the Government in behalf of the Customer.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract that the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Conditions of Service:

The Customer shall at its own expense provide, install, and maintain on its side of each delivery point the equipment necessary to protect and control its own system.

In so doing, the installation, adjustment, and setting of all such control and protective equipment at or near the point of delivery shall be coordinated with that which is installed by and at the expense of the Company on its side of the delivery point.

Wholesale Power Rate Schedule SCE&G-3-E

Availability:

This rate schedule shall be available public bodies and cooperatives (any one of which is hereinafter called the Customer) in South Carolina to whom power may be scheduled pursuant to contracts between the Government and the South Carolina Electric & Gas Company (hereinafter called the Company). The customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude an eligible customer from electing service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and

Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract that the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses).

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Conditions of Service:

The Customer shall at its own expense provide, install, and maintain on its side

of each delivery point the equipment necessary to protect and control its own system. In so doing, the installation, adjustment, and setting of all such control and protective equipment at or near the point of delivery shall be coordinated with that which is installed by and at the expense of the Company on its side of the delivery point.

Wholesale Power Rate Schedule SCE&G-4-E

Availability:

This rate schedule shall be available public bodies and cooperatives (any one of which is hereinafter called the Customer) in South Carolina served through the transmission facilities of South Carolina Electric & Gas Company (hereinafter called the Company). The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude an eligible customer from electing service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters and Richard B.

Russell Projects and sold under appropriate contracts between the Government and the Customer. This rate schedule does not apply to energy from pumping operations at the Carters and Richard B. Russell Projects.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$4.81 Per kilowatt of total contract demand per month.

Energy Charge:

12.33 Mills per kilowatt-hour.

Generation Services:

\$0.12 Per kilowatt of total contract demand per month.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract that the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the company (less applicable losses).

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Conditions of Service:

The Customer shall at its own expense provide, install, and maintain on its side of each delivery point the equipment necessary to protect and control its own system. In so doing, the installation, adjustment, and setting of all such control and protective equipment at or near the point of delivery shall be coordinated with that which is installed by and at the expense of the Company on its side of the delivery point.

Wholesale Power Rate Schedule Pump-1-A

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Georgia, Alabama, Mississippi, Florida, South Carolina, or North Carolina to whom power is provided pursuant to contracts between the Government and the Customer.

Applicability:

This rate schedule shall be applicable to the sale at wholesale energy generated from pumping operations at the Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. The energy will be

segregated from energy from other pumping operations.

Character of Service:

The energy supplied hereunder will be delivered at the delivery points provided for under appropriate contracts between the Government and the Customer.

Monthly Rate:

The rate for energy sold under this rate schedule for the months specified shall be:

$$EnergyRate = (C_{wav} \div F_{wav}) \div (1 - L_d)$$

[computed to the nearest \$.00001 (1/100 mill) per kWh]

(The weighted average cost of energy for pumping divided by the energy conversion factor, quantity divided by one minus losses for delivery.)

Where:

$$C_{wav} = C_{T1} \div E_{T1}$$

(The weighted average cost of energy for pumping for this rate schedule is equal to the cost of energy purchased or supplied for the benefit of the customer for pumping divided by the total energy for pumping.)

$$C_{T1} = C_p + C_s$$

(Cost of energy for pumping for this rate schedule is equal to the cost of energy purchased or supplied for the benefit of the customer plus the cost of energy in storage carried over from the month preceding the specified month.)

$$E_{T1} = E_p \times (1 - L_p) + E_s^{t-1}$$

(Energy for pumping for this rate schedule is equal to the energy purchased or supplied for the benefit of the customer, after losses, plus the energy for pumping in storage as of the end of the month preceding the specified month.)

$$C_s = C_{wav}^{t-1} \times E_s^{t-1}$$

(Cost of energy in storage is equal to the weighted average cost of energy for pumping for the month preceding the specified month times the energy for pumping in storage at the end of the month preceding the specified month.)

$$C_p$$

= Dollars cost of energy purchased or supplied for the benefit of the customer for pumping during the specified month, including all direct costs to deliver energy

to the project.

$$E_p$$

= Kilowatt-hours of energy purchased or supplied for the benefit of the customer for pumping during the specified month.

$$L_p$$

= Energy loss factor for transmission on energy purchased or supplied for the benefit of the customer for pumping (Expected to be .03 or three percent.)

$$E_s^{t-1}$$

= Kilowatt-hours of energy in storage as of the end of the month immediately preceding the specified month

$$C_{wav}^{t-1}$$

= Weighted average cost of energy for pumping for the month immediately preceding the specified month.

$$F_{wav} = E_G \div E_T$$

(Weighted average energy conversion factor is equal to the energy generated from pumping divided by the total energy for pumping)

$$E_G$$

= Energy generated from pumping.

$$L_d$$

= Weighted average energy loss factor on energy delivered by the facilitator to the customer.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Facilitator (less any losses required by the Facilitator). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Facilitator's

system.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule Pump-2

Availability:

This rate schedule shall be available to public bodies and cooperatives who provide their own scheduling arrangement and elect to allow Southeastern to use a portion of their allocation for pumping (any one of whom is hereinafter called the Customer) in Georgia, Alabama, Mississippi, Florida, South Carolina, or North Carolina to whom power is provided pursuant to contracts between the Government and the Customer.

Applicability:

This rate schedule shall be applicable to the sale at wholesale energy generated from pumping operations at the Carters and Richard B. Russell Projects and sold under appropriate contracts between the Government and the Customer. This energy will be segregated from energy from other pumping operations.

Character of Service:

The energy supplied hereunder will be delivered at the delivery points provided for under appropriate contracts between the Government and the Customer.

Monthly Rate:

The rate for energy sold under this rate schedule for the months specified shall be:

$$EnergyRate = (C_{wav} \div F_{wav}) \div (1 - L_d)$$

[computed to the nearest \$.00001 (1/100 mill) per kWh]

(The weighted average cost of energy for pumping divided by the energy conversion factor, quantity divided by one minus losses for delivery.)

Where:

$$C_{wav} = C_{T2} \div E_{T2}$$

(The weighted average cost of energy for pumping for this rate schedule is equal to the cost of energy purchased or supplied for the benefit of the customer for pumping divided by the total energy for pumping.)

$$C_{T2} = C_p + C_s$$

(Cost of energy for pumping for this rate schedule is equal to the cost of energy purchased or supplied for the benefit of the customer plus the cost of energy in storage carried over from the month preceding the specified month.)

$$E_{T2} = E_p \times (1 - L_p) + E_s^{t-1}$$

(Energy for pumping for this rate schedule is equal to the energy purchased or supplied for the benefit of the customer, after losses, plus the energy for pumping in storage as of the end of the month preceding the specified month.)

$$C_s = C_{wav}^{t-1} \times E_s^{t-1}$$

(Cost of energy in storage is equal to the weighted average cost of energy for pumping for the month preceding the specified month times the energy for pumping in storage at the end of the month preceding the specified month.)

$$C_p$$

= Dollars cost of energy purchased or supplied for the benefit of the customer for pumping during the specified month, including all direct costs to deliver energy to the project.

$$E_p$$

= Kilowatt-hours of energy purchased or supplied for the benefit of the customer for pumping during the specified month.

$$L_p$$

= Energy loss factor for transmission on energy purchased or supplied for the benefit of the customer for pumping (Expected to be .03 or three percent.)

$$E_s^{t-l}$$

= Kilowatt-hours of energy in storage as of the end of the month immediately preceding the specified month.

$$C_{wav}^{t-1}$$

= Weighted average cost of energy for pumping for the month immediately preceding the specified month.

$$F_{wav} = E_G \div E_T$$

(Weighted average energy conversion factor is equal to the energy generated from pumping divided by the total energy for pumping)

$$E_G$$

= Energy generated from pumping.

$$L_d$$

= Weighted average energy loss factor on energy delivered by the facilitator to the customer.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Facilitator (less any losses required by the Facilitator). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Facilitator's system.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule Replacement-1

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Georgia, Alabama, Mississippi, Florida, South Carolina, or North Carolina to whom power is provided pursuant to contracts between the Government and the Customer.

Applicability:

This rate schedule shall be applicable to the sale at wholesale energy purchased to meet contract minimum energy and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The energy supplied hereunder will be delivered at the delivery points provided for under appropriate contracts between the Government and the Customer.

Monthly Rate:

The rate for energy sold under this rate schedule for the months specified shall be:

$$EnergyRate = C_{wav} \div (1 - L_d)$$

[computed to the nearest \$.00001 (1/100 mill) per kWh]

(The weighted average cost of energy for replacement energy divided by one minus losses for delivery.)

Where:

$$C_{wav} = C_p \div (E_p \times (1 - L_p))$$

(The weighted average cost of energy for replacement energy is equal to the cost of replacement energy purchased divided by the replacement energy purchased, net losses.)

$$C_p$$

= Dollars cost of energy purchased for replacement energy during the specified month, including all direct costs to deliver energy to the project.

$$E_p$$

= Kilowatt-hours of energy purchased for replacement energy during the specified month.

$$L_p$$

= Energy loss factor for transmission on replacement energy purchased
(Expected to be 0 or zero percent.)

$$L_d$$

= Weighted average energy loss factor on energy delivered by the facilitator to the customer.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Facilitator (less any losses required by the Facilitator). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Facilitator's system.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Rate Schedule Regulation-1

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Georgia, Alabama, Mississippi, Florida, South Carolina, or North Carolina to whom service is provided pursuant to contracts between the Government and the Customer.

Applicability:

This rate schedule shall be applicable to the sale of regulation services provided from the Allatoona, Buford, J. Strom Thurmond, Walter F. George, Hartwell, Millers Ferry, West Point, Robert F. Henry, Carters, and Richard B. Russell Projects (hereinafter called the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The service supplied hereunder will be delivered at the Projects.

Monthly Rate:

The rate for service supplied under this rate schedule for the period specified shall be:

\$0.05 per kilowatt of total contract demand per month.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract to which the Government is obligated to supply and the Customer is entitled to receive regulation service.

Billing Month:

The billing month for services provided under this schedule shall end at 12:00 midnight on the last day of each calendar month.

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